

To: The Honorable Mayor and City Council

From: Stephen E. Johnson, City Manager

Date: September 24, 2013

RE: Employee Early Retirement Incentive Plan

RECOMMENDATION

It is recommended that the Mayor and Council authorize the City Manager to offer an Early Retirement Incentive Plan to eligible employees.

BACKGROUND

An Early Retirement Incentive Plan can be useful in reducing the personnel costs of the budget. Such a plan tends to result in the vacation of positions held by long time employees who are usually paid at the top pay steps. The resulting vacancies will allow reorganization with employees promoted or hired at lower pay steps, the elimination or freezing of positions or filling positions with part time temporary contract employees.

SUMMARY:

The Retirement Incentive Plan will be made available to all full-time employees:

- who are not represented by a collective bargaining agreement
- who meet the 'rule of 65': the employee's age plus years of credited service must equal 65 or more.

The Early Retirement Incentive Plan includes:

- increase of the multiplier for benefits from 3% to 4% for 20 years
- free health insurance for one year for employee
- up to 90 days pay depending on selected retirement date

Attachment
Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL
OF THE CITY OF NORTH MIAMI, FLORIDA,
ESTABLISHING AND ADOPTING A RETIREMENT
INCENTIVE PLAN FOR ELIGIBLE EMPLOYEES AND
AUTHORIZING THE CITY MANAGER TO TAKE ALL
NECESSARY STEPS TO EFFECTUATE THE PLAN;
PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL
OTHER PURPOSES.**

WHEREAS, the City of North Miami has adopted the 2013-14 Fiscal Year Budget; and

WHEREAS, the City of North Miami's newly adopted budget requires substantial costs savings and a decrease in spending; and

WHEREAS, the proposed Retirement Incentive Plan will assist with this goal by allowing some employees the option of retiring early as well as providing for the reorganization or elimination of certain positions; and

WHEREAS, the Retirement Incentive Plan will be made available to all full-time employees:

- Who are not represented by a collective bargaining agreement; and
- Who meet the 'rule of 65' – the employees age plus years of credited service must equal to sixty-five (65) or more; and

WHEREAS, the Early Retirement Incentive Plan includes:

- Increase of the multiplier for benefits from 3% to 4% for twenty (20) years; and
- Free health insurance for one year for employee; and
- Up to ninety (90) days pay depending on selected retirement date; and
- For monthly annuities only; no lump-sum payments; and

WHEREAS, the Mayor and City Council are desirous of adopting the proposed Retirement Incentive Plan as set forth.

**NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY
COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:**

Section 1. **Adoption.** The Mayor and City Council adopt the Retirement Incentive Plan as outlined above.

Section 2. **Direction to City Manager.** The City Manager is directed to take all steps to effectuate the implementation of the Retirement Incentive Plan.

Section 3. **Effective Date.** This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of September 2013.

LUCIE M. TONDREAU
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM:

REGINE M. MONESTIME
CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Lucie M. Tondreau
Vice Mayor Scott Galvin
Councilperson Carol Keys, Esq.
Councilperson Philippe Bien-Aime
Councilperson Marie Erlande Steril

_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)
_____	(Yes)	_____	(No)